

Message Text

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ACTION AF-18

INFO OCT-01 ISO-00 AID-20 IGA-02 SP-03 CIAE-00 INR-10

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R 221215Z MAY 74

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 8178

C O N F I D E N T I A L KHARTOUM 1127

E.O. 11652: GDS

TAGS: EAID, SU

SUBJ: OPENINGS LIKELY FOR AMERICAN EXPERTS IN SUDANESE
DEVELOPMENT STRUCTURE

REF: KHARTOUM A-45 AND REFERENCES THEREIN

FOR ASST SECRETARY EASUM, AF, AND ASST ADMINISTRATOR ADAMS,
AID/AA/AFR, FROM AMBASSADOR

1. SUMMARY. OPPORTUNITIES EXIST FOR SENIOR AMERICAN FINANCIAL
AND DEVELOPMENT EXPERTS TO ASSIST SUDAN IN EFFECTIVELY UTILIZING
SAUDI GUARANTEED \$200 MILLION LOAN. WOULD WELCOME ANY IDEAS
YOU MAY HAVE RE NUMBER INDIVIDUALS WHO MIGHT BE INTERESTED
THIS TYPE INFLUENTIAL ADVISORY/PROGRAM DIRECTION EMPLOYMENT
EITHER GOS-PAID OR, IF FEASIBLE, SECONDED FROM USG. END SUMMARY.

2. EVOLUTION LOCAL EFFORTS ESTABLISH DEVELOPMENT STRUCTURE
HERE BASED ON \$200 MILLION SAUDI GUARANTEE WERE REPORTED REPAIR
AND REFERENCES. STAGE NOW BEING REACHED AT WHICH OPPORTUNITIES
EXIST RECRUIT ONE OR MORE SENIOR AMERICAN FINANCIAL/DEVELOPMENT
EXPERTS WHO COULD PLAY KEY ROLES IN ORGANIZING AND CHANNELLING
NASCENT SUDANESE DEVELOPMENT EFFORT.

3. IN CONVERSATION WITH LOCAL TRIAD REP THOMPSON MAY 22, HE
CONFIRMED THAT TRIAD RECEIVED MAY 15 MANAGEMENT CONTRACT FROM
GOS TO GET SUDAN DEVELOPMENT CORPORATION (SDC) OPERATING
(TENTATIVELY CAPITALIZED AT \$500 MILLION). SPECIFICALLY, PRESI-
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DENT NIMEIRI HOPES IT WILL BE POSSIBLE RECRUIT ONE TOP AMERICAN

FINANCIER TO SERVE ON SDC BOARD DIRECTORS WHICH WILL DETERMINE POLICY RE DEVELOPMENT PROJECTS HERE TO BE INITIATED IN PART WITH SAUDI GUARANTEED LOAN FUNDS. THOMPSON SPOKE OF SEEKING SENIOR OFFICIAL FROM MORGAN STANLEY OR SIMILAR BLUE RIBBION FINANCIAL INSTITUTION. HE FELT DEPT AND AID/W MIGHT BE HELPFUL THIS REGARD SINCE IT WOULD BE BOTH IN GENERAL USG INTEREST, AND USEFUL IN CONNECTION SPECIFIC EVOLUTION DEVELOPMENT EFFORT HERE, WERE ON OR MORE PRESTIGIOUS AMERICANS TO BE ASSOCIATED THEREWITH.

4. THOMPSON ALSO NOTED SDC WILL BE LOOKING FOR "COUNTERPART" GENERAL MANAGER, PROJECT MANAGER TO ANALYZE PROJECTS, TREASURER, AND PERHAPS OTHER TOP OFFICIALS. THOMPSON WONDERED WHETHER AID/W EVER SECONDED KEY OFFICIALS FOR SUCH ADVISORY ROLES, WITH BASIC PAY CONTINUING FROM USG. I SAID SEEMED TO ME UNLIKELY IN THIS INSTANCE BUT I WOULD INQUIRE. THOMPSON THEN SAID WOULD STILL BE USEFUL HAVE ANY WASHINGTON SUGGESTIONS AS TO QUALIFIED INDIVIDUALS WHO COULD BE SALARIED DIRECTLY BY SDC. HE HOPED QUALITY PERSONNEL COULD BE FOUND, EITHER THROUGH SECONDMENT FROM USG OR RECRUITMENT ABLE FORMER EMPLOYEES, FOR EXAMPLE, EX-TREASURY OR AID OFFICIALS. KEY REQUIREMENT WOULD BE THAT INDIVIDUALS BE FULLY VERSED IN DEVELOPMENT PROBLEMS AND DEVELOPMENT FINANCE. WHEN I SUGGESTED ACADEME MIGHT ALSO PROVIDE FRUITFUL SOURCE INQUIRY, NOTING PARTICULARLY PROFESSOR ARTHUR (?) LEWIS OF PRINCETON, THOMPSON INDICATED AGREEMENT.

5. TOLD THOMPSON I WOULD BE GLAD CONVEY PRELIMINARY WORD TO WASHINGTON SINCE I CONCURRED THAT RECRUITMENT SEVERAL AMERICANS OF FOREGOING TYPES WOULD HELP PROSPER OUR OVERALL RELATIONSHIPS. HOWEVER, I NOTED WE WOULD BE ON FIRMER GROUND HAD WE SOME SPECIFIC REQUESTS FROM GOS. THOMPSON CONCURRED AND INDICATED HE WOULD STIMULATE ONE, WHICH SHOULD BE EASY VIEW NIMEIRI'S PERSONAL INTEREST IN ORGANIZAING AND STAFFING SDC SOONEST.

6. ON RELATED MATTERS, THOMPSON SAID PRICE WATERHOUSE HAS BEEN ENGAGED THROUGH TRIAD TO PREPARED "BUSINESS PLAN" OF HOW SDC SHOULD OPERATE. PW REPEAT PW ALSO HAS BEEN ASKED AUDIT SDC BOOKS ESTABLISH PRECISELY WHAT HAS BEEN DONE WITH \$50 MILLION ALREADY FINANCED. THOMPSON ALSO SAID TRIAD RECENTLY PURCHASED 13-1/2 PERCENT INTEREST IN ARIZONA/COLORADO LAND AND CATTLE
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COMPANY (AZL) AND IS SEEKING INDUCE THIS FIRM UNDERTAKE MAJOR FARMING/RANCHING OPERATION HERE. RE SUDAN INTERNATIONAL BANK (SIB) THOMPSON SAID WOULD NOT BE POSSIBLE COMPLETE ORGANIZATIONAL ARRANGEMENTS PERMIT ANNOUNCEMENT BY MAY 25 REVOLUTION ANNIVERSARY. HOWEVER, HE ANTICIPATES NO DIFFICULTY OVER LONGTERM AND BELIEVES BANK OF AMERICA EXPERS WILL BE RETAINED AS SIB MANAGERS.

7. COMMENT. WHILE SECONDMENT-TYPE HELP MAY BE INFEASIBLE, OPPORTUNITY CLEARLY EXISTS HERE POSITION SEVERAL HIGHLY QUALIFIED AMERICANS IN KEY DEVELOPMENT ROLES WITH SDC. ACCORDINGLY, I WISH DRAW MATTER TO YOUR PERSONAL ATTENTIONS IN HOPE YOU OR YOUR STAFFS MIGHT INFORMALLY SUGGEST NUMBER LEADS WHICH COULD BE PASSED TO TRIAD TO FOLLOW UP, PENDING ANY MORE FORMAL APPROACH TO US FROM GOS. WHOLE OPERATION STEMMING FROM SAUDI GUARANTEE HAS BEEN SOMEWHAT SLOWER GETTING OFF GROUND HERE THAN PROTAGONISTS WISHED, BUT THIS IS SOP FOR SUDAN. FACT IS THAT THIS COUNTRY SEEMS LIKELY BE ON THRESHOLD SIGNIFICANT AGRICULTURAL AND RELATED DEVELOPMENT. BOTH FOR POLITICAL AND COMMERCIAL REASONS, IT BEHOOVES US ASSOCIATE AMERICANS IN THIS EXERCISE TO MAXIMUM EXTENT FEASIBLE. IN PARTICULAR I RECOMMEND THAT FRANK PACE'S INTERNATIONAL EXECUTIVE SERVICE CORPS BE APPROACHED DETERMINE EXTENT THEIR POSSIBLE INTEREST IN FOREGOING.

BREWER

NOTE BY OC/T: KHARTOUM A-45, NOT RECEIVED DEPARTMENT 5/22/74.

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